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C O N F I D E N T I A L SECTION 01 OF 02 GEORGETOWN 000059

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TAGS: [EFIN](#) [KCOR](#) [SNAR](#) [PGOV](#) [GY](#)
SUBJECT: VAT AND CASINO GAMBLING CAUSE PUBLIC DISCORD AND
POLITICAL DISSENT

REF: GEORGETOWN 27

Classified By: DCM Michael D. Thomas, Reason 1.4(D)

¶1. (SBU) Summary: The PPP/C government,s sloppy implementation of VAT and heavy-handed efforts to legalize casino gambling are giving rise to public discontent and fueling internal dissent within the party. End Summary.

¶2. (U) The difficult introduction of VAT in Guyana was reported reftel. Adding to its January woes, last week the PPP/C government tabled in Parliament the Gambling Prevention (Amendment) Bill, the effect of which would be to legalize casino gambling. The pending gambling legislation has been a matter of public debate--almost all negative--for several months. The Government,s public and private reaction has been that it will push the gambling bill through Parliament regardless. (Note: The government,s public musings on possible criteria for casino licenses suggest that only one hotel would be eligible: "Buddy's Hotel" currently under construction next to the new cricket stadium. The owner, Omprakash &Buddy8 Shivraj, is a suspected money-launderer and business partner of indicted narcotrafficker Roger Khan. In late 2005 Shivraj was charged with two counts of fuel smuggling. The irony of the apparent GoG intention to hand a casino license to a businessman who has already been arrested for financial crimes has not been lost on civil society.)

¶3. (SBU) At an early-January dinner party Opposition Leader Robert Corbin told opposition politicians that the PNCR would not agitate against the VAT because VAT implementation issues would work themselves out. However, a week later on January 12 the PNCR issued a Public Statement saying that "It is time to shut the country down for a day or two" as a protest of the Government's "uncaring implementation" of the VAT and introduction of a bill in Parliament that would legalize casino gambling. The PNRR statement did not name a date for the action. However, high and increasing levels of public discontent over the VAT and widespread opposition to legalized gambling that crosses religious (Christian/Hindu/Muslim) and ethnic (Indo/Afro) line puts the PNCR in the fairly unique position of having traction on issues at the top of public consciousness.

¶4. (C) The gambling and VAT issues are also causing schisms within the ruling party. PPP Executive Committee Member Reepu Damon Persaud, who is also leader of the Guyana Hindu Dharmic Sabha, joined leaders of the Christian and Muslim communities in December in speaking out publicly against the proposed gambling legalization. Earlier this week at a Chinese Embassy function, PPP Executive Committee member Komal Chand (General Secretary of Guyana,s largest union) joined a conversation between DCM, the leader of the Afro-Guyanese dominated and PNC-aligned Guyana Public Service Union (GPSU), and the Indo-Guyanese Chairman of the American Chamber of Commerce. The businessman was detailing his trials and tribulations with the government and the VAT.

At one point, Chand said &That is the sort of thing we agitated against for decades; I am not going to condone it now.8

15. (C) In conversation about VAT and gambling at the same party mentioned in para 3, Joey Jagan related that his mother, PPP founder Janet Jagan, complains that President Jagdeo no longer listens to her. Another source with good access reports that the January 5 meeting of the PPP Executive Committee was marked by great discord over Jagdeo,s apparant anointment of Agriculture Minister Robert Persaud as the presumed PPP candidate for president in the next elections.

16. (C) Comment: After their slaughter in the August polls, the PNCr has been searching for issues that can give it traction. The PPP/C government,s sloppy implementation of VAT and ham-fisted pushing of casino-gambling has handed the PNCr two. The PNCr statement is more of a feeler than an immediate call for action, but does show that the PNCr has begun to explore taking a more active opposition role. The questions now are how hard the GoG will push casino gambling in the face of widespread public discontent, how effectively the GoG can make up for its misleading VAT public relations campaign, and whether the PNCr can formulate an alternative plan of action for VAT that will resonate with the furious Indo-Guyanese business community as well as the angry public.

17. (C) Comment continued: That Janet Jagan has lost her grip on Jagdeo is not really news, nor is Joey Jagan,s propensity to air family business in public. On the other hand, both Persaud and Chand are decades-long members of the PPP Executive Committee from the Cheddi Jagan wing of the party. For them to speak out against party policy in such a manner

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is an almost unprecedented violation of party discipline. For years the PPP was riven into two factions: the Cheddi wing and the Janet wing. The complaints from both sides suggest to us that lame-duck Jagdeo has solidified his independence from the old guard.

Robinson